

Building Unions Will Fight Nixon's Wage-Curb Order

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WASHINGTON, March 30—A spokesman for the nation's construction unions declared today that President Nixon had imposed "full controls" on construction industry wages, although the Administration had characterized the move as something less.

The spokesman, C. J. Haggerty, president of the building and construction trades department of the American Federation of Labor and Congress of Industrial Organizations, said the construction unions would "obey the law" but would "fight" the President's Executive order by all legal means.

Meanwhile, I. W. Abel, president of the United Steelworkers of America, said his union could not accept a contract

that followed the guidelines set by the President for the construction industry. He said the steelworkers would accept nothing less than the 31.5 per cent pay increase over three years won by the union in the can industry. [Details on Page 27.]

Attorneys for the construction unions said Mr. Nixon's order, far from specifying voluntary compliance, could require fines or injunctions for wage settlements that exceeded the President's criteria.

President Nixon issued the Executive order yesterday in San Clemente, Calif. The order establishes construction industry craft dispute boards and a construction industry stabiliza-

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tion committee to monitor wage settlements.

The order also established criteria for acceptable wage increases, which would be at the level of annual increases in the 1961-68 period — about 6 per cent a year.

Criteria for price increases, bonuses, dividends "and the like" will be established in the future, according to the order.

The order specifically mentioned only indirect reprisals for failure to comply. One such reprisal would be the Government's refusal to use unacceptable wage settlements as the prevailing rate under the Davis-Bacon Act, which requires contractors to pay prevailing wages on Federal projects.

Mr. Nixon's reinstated the Davis-Bacon Act yesterday after suspending it last month.

Fines Held Possible

The union lawyers said today that the order would enable the Secretary of Labor to impose fines of up to \$5,000 or to obtain court injunctions under the Economic Stabilization Act of 1970 if he finds violations.

They also said that the order would allow the stabilization committee to defer any wage increase for at least 15 days. In fact, they said, the directive, which makes it a violation to implement a wage increase that has not been approved by the committee, could mean that wage increases would be held up indefinitely.

Mr. Haggerty, at a news conference after a meeting of 16 general presidents of the building and construction unions said the unions had not yet

decided whether to participate in the craft boards called for in the Executive order.

A statement issued by the union presidents after the meeting said the general counsels of all the unions would meet to go over the "uncertainties and ambiguities" of the President's directive "to determine future policies."

The statement called the Executive order "fundamentally unfair in applying strict controls to wages and a vague procedure with respect to prices and profits."

The union presidents welcomed the lifting of the suspension of the Davis-Bacon Act

Unionists Testify

Meanwhile, a special Congressional subcommittee heard allegations that the Administration was failing to carry out legislation similar to the Davis-Bacon Act that requires that prevailing wages must be paid to employees under Federal service contracts.

Witnesses for the Laborers' International Union of North America charged that the Labor Department, the military services and other government agencies were failing to comply with the O'Hara-McNamara Service Contract Act of 1965, which was enacted to protect janitors, guards, laundry work-

ers, cooks, porters and other service employees who work for private employers under contract to the Government.

The witnesses said there were 1.5 million to 2 million of these workers.

The witnesses told the Special Labor Subcommittee of the House Education and Labor Committee that many Government installations had imposed wage freezes.

One witness, David L. Jacobs, business manager of a local in Laredo, Tex., said that in many cases, contract service workers at the Laredo Air Force Base were being paid half as much as civil servants doing the same work.

Representative James G. O'Hara, a Michigan Democrat, who is a member of the subcommittee and was an original sponsor of the legislation, said he concurred with the testimony.

He also charged that many service contractors who had been found guilty of unfair labor practices continued to be awarded new contracts by Federal installations.

Mr. O'Hara has proposed an amendment to the act that would take discretion for "blacklisting" contractors who violate the act away from the Secretary of Labor.